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SUBJECT: MEDIA REACTION: INAUGURATION, U.S. - CHINA RELATIONS,
FINANCIAL CRISIS

Editorial Quotes

11. INAUGURATION

"People expect the U.S. will walk a new path"

The official Xinhua Daily Telegraph (Xinhua Meiri Dianxun) (01/21):
"A British paper had an article titled 'Great Expectations'
concerning Obama's inauguration. The same title is also translated
to 'bright future' in Chinese for Charles Dickson's novel. However,
between great expectations and a bright future, there is still
distance. Obama is expected to fulfill his promises. Even before
Obama was inaugurated, he has been intensely devoted to many
different tasks. It is not an easy task for Obama. Global
expectations and bright futures can be attained if the U.S. walks a
new path. Obama needs to focus not just on the U.S., but on the
world."

12. U.S.-CHINA RELATIONS

"How will Obama understand U.S.-China Relations?"

The Beijing-based newspaper sponsored by official intellectual
publication Guangming Daily and Guangdong Provincial official
publication Nanfang Daily The Beijing News (Xin Jing Bao)(01/21):
"Obama's Inauguration has brought great attention to the future of
U.S. - China relations. The relationship is facing a new beginning.
The strategic need for economic interests and the war on terror,
faced by the two countries, are not as urgent as when both countries
faced the common threat from the Soviet Union. Thus the possible
failure to find a new consolidated foundation based on the common
interests of these two countries will only bring uncertainties to
the relationship. A new U.S.-China cooperative foundation has become
a reality; the intensified disorder of the world. The U.S.' freedom
has been weakened and restricted. This power loss forced the U.S. to
choose to withdraw from certain places, which will only cause new
problems. Because of the U.S.' 'power losses', withdrawal, and
relative decline, there will be inevitable global geopolitical
unrest that China will need to help prevent. The U.S. and China will
have a larger space to cooperate in providing public interest
services [such as, regional peace and development activities] to the
entire world. This competitive cooperation will help maintain a good
relationship between the two countries and other geopolitical powers
and help stabilize the global political and economic order."

13. FINANCIAL CRISIS

a. "China has the confidence to recover the earliest"

The official Communist Party People's Daily (Renmin Ribao)(01/21):
"The world has been interested in predicting China's economic
development trends. Although there have been some positive
predictions, recently the comments have been pessimistic, suggesting
that China will encounter setbacks due to the financial crisis and

the post Olympic influence. Western countries have become used to China's economic growth. Thus the slowdown of the growth will make them panic. A person with ulterior goals has also intended to create chaos by cracking down on China. In fact, the Chinese economy has four characteristics that will help it encounter a slighter impact from the financial crisis. First, China is a developing country on a general upturn; second, China has accumulated great economic strength; third, China has a broad market and excess talent; and fourth, China is working with a combined market economy and macro governmental control. The Chinese government's economic stimulus plan has reassured the confidence of the Chinese companies and the people, bringing hope for the recovery of the global economy. China is confident that it will fulfill its objectives and recover from the financial crisis the earliest."

b. "Purchasing American Debts is the best choice"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(01/21): "Among several choices for the use of China's financial reserves, apparently, purchasing American debt is the safest choice. The benefits are guaranteed. Chinese capital, once given to the U.S. through official American debts is still China's money, not the U.S. government's. At present, the U.S. dollar is still a major global curacy and the currency with the most credibility. No country's currency could replace the U.S. dollar. It is not a bad thing to let the most powerful global country own us money. Surely, the large up-and-downs in the U.S. currency are not good for China or the world. They are based on the current international financial system. Under such system, China must make the most practical decision."

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